



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:

Company	L.Craig Hilton	Technical Service Manager
OGM	Susan White	Environmental Program Manager
OGM	Pete Hess	Environmental Scientist III
Company	Wess Sorenson	
Company	Mike Davis	
Company	Chris D. Hansen	
OGM	Daron R. Haddock	Environmental Manager
OSM	Henry Austin	

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **SUFCO MINE**

Address: **397 S 800 W, SALINA UT 84654**

County: **SEVIER**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

24,632.95	Total Permitted
27.36	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☐ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no compliance actions pending for the SUFCO Mine permit area. The only permit condition included in Attachment "A" of the current State permit is that the permittee must submit water monitoring data in an electronic fashion to the Division's web site. The permittee has been in compliance with this requirement since renewal of the current State permit, (May 2002).

Mr. Henry Austin, OSMRE-WRCC, Denver, Colorado accompanied this individual during the course of the two day complete inspection of the SUFCO Mine permit area.

Inspection Report

Permit Number:	C0410002
Inspection Type:	COMPLETE OVERSITE
Inspection Date:	Wednesday, June 02, 2004
Start Date/Time:	06/02/2004 9:05:00 AM
End Date/Time:	06/03/2004 1:50:00 PM
Last Inspection:	Tuesday, May 18, 2004

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear / cool: 50's Fahrenheit

InspectionID Report Number: 291

Accepted by: pgrubaug
06/22/2004

Inspector's Signature

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date

Monday, June 07, 2004

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current State permit remains in effect until May 20, 2007. The permittee maintains the use of specific portions of the permit area via USFS "special use permits"; these include a permit for the warehouse/storage yard/trash storage areas, as well as a road use permit for the Duncan Draw road for water monitoring purposes, and a permit for the water transfer pipe, the spring collection field, the leach field, the pump house, and the 25 KVA powerline. The first permit to need renewal is the one for the warehouse/storage yard area (expiration 12/31/2004). All others are current, at least until 2015. The current UPDES permit remains in effect until April 30, 2006.

4.a Hydrologic Balance: Diversions

The inlet/apron on the twelve inch corrugated metal pipe located west of the hillside water tank (300,000 gallon tank used for fire suppression purposes) was in need of minor cleaning. The drop drain trash rack/ inlet located SW of the shop garage was obstructed by a pallet containing conveyor idlers. Mr. Davis immediately addressed this issue.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The permittee conducted the first quarter 2004 impoundment inspections for the Mine site sediment pond and the waste rock pond on March 25, 2004. There were no hazards reported during the permittee's inspection, nor were there any noted during today's field inspection. The waste rock pond was noted as being dry.

4.c Hydrologic Balance: Other Sediment Control Measures

The silt fence which is located on the NW corner of the covered storage building had a small hole in the fabric at the filtering level. Mr. Davis agreed to immediately repair the fence. The following areas were inspected during the course of the two day inspection to evaluate the effectiveness of the treatments used to minimize to the extent possible additional contributions of sediment to stream flow or to flow outside the permit area: 1) the 10,000 gallon water tank area located ENE of the Mine site disturbed area; 2) the hillside above the out of service Mine fan in East Spring Canyon; 3) the water tank/substation area located north of the office building; 4) the topsoil storage pile located below the Mine site sediment pond; 5) the spring collection field, pump house, and leach field located in lower Quitcupah Canyon; 6) the reclaimed substation area in Link Canyon; 7) the active substation and portal area in Link Canyon; and 8) the three topsoil piles and subsoil pile, as well as the reclaimed areas of the waste rock disposal facility. All areas were noted as having their individual treatments performing as designed; there was no visual evidence that sediment had reported outside the individual treatment areas.

4.d Hydrologic Balance: Water Monitoring

The permittee notified the Division on April 24, 2004 that the water monitoring information for the first quarter of 2004 for the SUFCO Mine permit area had been successfully uploaded into the Division's electronic web site. Discharge monitoring reports for the site's three permitted UPDES outfalls were reviewed for the months of January through April 2004. There were no parameter exceedances noted for UPDES outfall 002A (Mine site sediment pond) for this period. All other outfalls were reported as having zero flow during the four month period. All reports had been submitted to the respective government agencies in a timely manner. The permittee successfully completed the second quarter biomonitoring for the site using effluent from the Quitcupah portals mine water discharge, UPDES point 003A. The sample was collected by A. Quay Mecham on February 16, 2004. The Ceriodaphnia Dubia test animals successfully passed all dilution ratios used in the analysis. WET, Inc. performed the lab analyses.

7. Coal Mine Waste, Refuse Piles, Impoundments

The first quarter 2004 waste rock pile inspection / certification was performed by the permittee on March 26, 2004. Mr. Wes Sorensen performed the P. E. certification. There were no signs of instability or other hazardous conditions reported by the permittee's inspector. There were no hazards or compliance issues noted at the waste rock site during today's field inspection. There has been recent activity on the active lift. There was no non-coal waste visible in the piles. The permittee intends to level and compact these when the placement area has been filled.

9. Protection of Fish, Wildlife and Related Environmental Issues

During the inspection of the Link Canyon portal area, it was observed that there was no ground water accumulation within the portal. This water was to be used to maintain the willows within the riparian area of the adjacent channel. The USFS is concerned that this vegetation will suffer, if moisture is not provided for their maintenance. As no water exists within the Mine from ground water interception, the permittee needs to meet with the FS to determine what should be done to modify the plan in order to become compliant. The current plan is to monitor the situation to determine if ground water might become available for riparian use. As the State is in another year of drought, a mitigation contingency plan either needs to be developed, or a decision made to allow the vegetation to attempt to survive via natural means.

10. Slides and Other Damage

On Thursday, June 3, 2004, an inspection of the surface impacts created by the mining of the 3 Left Pines East longwall panel was made. This is the area in which the East Fork of Box Canyon (a perennial stream) lies. The channel was observed to have buckled sandstone within certain reaches of the stream, which may be the cause of the stream bed being dry within those reaches. To date, any impact to the water table has not been determined. The riparian vegetation along the stream banks does not appear to be impacted. It will be necessary to evaluate the stream channel all through the summer months, taking into consideration drought conditions as well as impacts created by mining. There were separation cracks noted in the escarpment adjacent to the Elusive Peacock shelter. The cracks are approximately forty feet back from the edge of the Canyon. The permittee developed a plan to repair these cracks, with input and concurrence from the USFS and the Division.

14. Subsidence Control

The permittee's annual subsidence report was submitted as Appendix B of the 2003 annual report. The report was prepared by Mr. John M. Black, Utah registered land surveyor. The permittee monitors thirteen areas within the SUFCO Mine permit area, nine of which are considered dormant. Area 12 involves the majority of active mining, including both primary and secondary extraction methods. Area 12 consists of six longwall panels. Retreat mining was initiated in this area in September of 2001; to date, the 2 Left Pines East panel was completed in September 2003. The 3 Left panel has now undermined the East Fork of Box Canyon, as noted elsewhere in this report. Effects of this undermining of the perennial stream are still being evaluated by the Division, the USFS, the BLM, and the permittee. Map 1, which depicts the amounts of subsidence/heave in the active areas of the permit has been certified by Mr. Wes Sorensen, a Utah registered professional engineer.

19. AVS Check

Ownership and control information has recently been submitted as Appendix "C" of the 2003 annual report. Same is identical to that which has been submitted to the Utah Department of Commerce.

21. Bonding and Insurance

The current general liability insurance remains in effect until July 31, 2004. Coverage amounts of \$500,000 and \$300,000 are in effect for general aggregate and each occurrence respectively. Coverage for damages incurred from the use of explosives is also provided. Mr. Davis was aware that the current coverage is due for renewal prior to July 31, 2004. The permittee maintains reclamation bond coverage in the amount of \$4,439,000 via the St. Paul Fire and Marine Insurance Company, policy # 400 SA 1915.